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UNITED STATES DEPARTMENT OF AGRICULTURE
War Food Administration
Agricultural Adjustment Agency
Washington 25, D. C.

June 15, 1945

BEEF CATTLE PRODUCTION PAYMENTS TO FEEDERS

(Revised, with additions, to replace similar statement dated June 2, 1945. Copies of June 2 statement should be destroyed.)

THE PROVISIONS. A payment of 50 cents per hundredweight will be made to feeders for sales of good and choice cattle weighing 800 pounds or more. Forty million dollars is authorized for payments. The feeder is required to own the cattle for at least 30 days and sell them at not less than the minimum stabilization price of his zone. The minimum price for good cattle, Chicago basis, is \$14.25. The cattle must be sold and delivered to a legally authorized slaughterer within 29 days.

- THE PURPOSE.
1. To encourage greater beef production by giving the feeder higher returns from feeding more cattle and feeding to better finish.
 2. To avoid higher prices to consumers which might cause disastrous inflation along the entire price front.
 3. To promote better distribution by directing more cattle to authorized slaughterers who sell through regular trade channels.

THE REASON. Current meat supplies are down from a year ago due largely to a decline in hog production. Although cattle slaughter already has increased above a year ago, a further increase in beef production is needed to meet increasingly heavy demands. The number of unfinished cattle on the ranges and on farms is still far above normal. The beef payments are part of a general program to increase the production of all meats.

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QUESTIONS AND ANSWERS

1. Who is a legally authorized slaughterer?

Any slaughterer who is operating under Federal inspection or any slaughterer who is operating pursuant to the regulations and orders of the Office of Price Administration.

2. Can a slaughterer who also is a cattle feeder collect the payment?

Yes, provided no payment had previously been made on his cattle, and if he had fed the cattle 30 days or more and if they weighed at least 800 pounds, with the resulting carcass grading A or AA beef when slaughtered. He also is eligible to collect payment on cattle raised by himself that meet the requirements at the time of slaughter.

3. What type of evidence must a feeder other than a feeder-slaughterer present to his county AAA committee in applying for payment?

Written evidence substantiating (a) the date of sale; (b) the name of buyer; (c) the point of sale; (d) the number of head; (e) the total liveweight; (f) the price received per hundredweight; (g) and the name of the legally authorized slaughterer to whom sold. These facts may be verified by sales receipts, invoices, scale tickets, or other written evidence from the buyer. In addition, the feeder, if he did not raise the cattle, must show the status of the cattle at the time he purchased them by furnishing the name of the person from whom purchased and the date of purchase.

4. What type of evidence must a feeder-slaughterer present in applying for payment?

Invoices, scale tickets, account purchases, slaughter sheets, or receipts showing (a) date of purchase, (b) the person from whom purchased, (c) price paid per hundredweight, (d) number of head, (e) liveweight when purchased, (f) date of slaughter, (g) liveweight when slaughtered, and (h) grade of carcass.

5. Must a feeder other than a feeder-slaughterer sell his cattle directly to a legally authorized slaughterer to obtain the payments?

No. However, the evidence must show that the cattle in question were sold and delivered within 29 days to a legally authorized slaughterer.

6. Does each animal in a drove have to weigh at least 800 pounds for the feeder to collect the subsidy?

No. The average weight and price are acceptable but cattle of similar weight and grade should be weighed and priced separately from other cattle.

7. Are cattle that are sold by the head and not by weight eligible for the payment?

Yes. However, the payment will not be made unless the cattle are weighed later and the total price received is divided by the total weight. The minimum price and weight, and the length of ownership must be considered in determining their eligibility.

8. How should a feeder go about collecting the payment?

Deliver the written evidence to the county AAA office in the county where his farm, ranch or feedlot is located. If he is eligible, the payment will be made by sight draft issued by the county AAA committee.

9. When is the beef production payment program effective?

It covers all eligible cattle sold on or after May 19, 1945, as long as authorized funds for payment are available.

10. How is the point of sale determined?

It is the location where title to and ownership of the cattle passed from applicant to buyer. This point may differ from the place where the cattle are weighed.

11. Where a percent shrink is applied to the weight of cattle at point of sale before applying the price per hundredweight agreed upon for the transaction, what weight shall be used in determining eligibility?

In all cases the weight used in determining eligibility must be the net weight on which settlement is made.

12. If satisfactory evidence is presented to the county committee that the cattle were sold to a legally authorized slaughterer, must the cattle be slaughtered before payment is made?

No, except where a feeder applying for payment is also the legally authorized slaughterer.

13. If the legally authorized slaughterer resells the cattle for further feeding instead of slaughtering them, how will duplicate payments be prevented?

In such cases, the applicant for payment must prove to the satisfaction of the county committee that payment has not been previously made on the same cattle.

14. If the applicant raises cattle in one State and feeds them in feed lots in another State, in which State and county will he apply for payment?

Application will be made in the State where the cattle were located during the last feeding period before sale as eligible cattle. The county will be the county in which the farm, ranch, or feed lot is located or deemed to be located for purpose of the AAA program.

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